

**REDEVELOPMENT AUTHORITY  
OF THE CITY OF MILWAUKEE  
REGULAR MEETING  
NOVEMBER 17, 2022**

**MINUTES**

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The Redevelopment Authority of the City of Milwaukee held a regular meeting at 1:30 p.m. in the 1<sup>st</sup> Floor Board Room, 809 North Broadway, Milwaukee, Wisconsin.

MEMBERS PRESENT: Commissioner Frances Hardrick, Chair  
Commissioner Lois A. Smith, Vice Chair  
Commissioner Kathryn West  
Commissioner Bill Schwartz  
Commissioner Jose Galvan

MEMBER EXCUSED: Commissioner Monique Charlier

ALSO IN ATTENDANCE: Lafayette L. Crump, Executive Director  
David P. Misky, Assistant Executive Director-Secretary

After the Pledge of Allegiance and Roll Call, the Chair asked for a motion to adopt the Minutes of the November 17, 2022 meeting. Hearing no corrections or objection, the minutes were adopted by consensus.

Mr. Misky reported that for today's public hearings regarding approvals of Project Plans and a Property Disposition, the required Class II notices were published in the Daily Reporter on November 3<sup>rd</sup> and November 10<sup>th</sup>. In addition, regarding the approval of the Project Plan Amendment, the required Class I notice was published in the Daily Reporter on November 10<sup>th</sup>. Finally, for the public hearing regarding an EPA Brownfields Cleanup Grant, the required notice was published in the Daily Reporter on November 3<sup>rd</sup> and November 10<sup>th</sup>.

**Item 1, Public Hearing**

Resolution approving the boundary and Project Plan for the Vel R. Phillips and Michigan Tax Incremental Financing District.

Executive Director Lafayette Crump provided background for proposed TID No. 110 and described the process of retaining and attracting Fiserv, a Fortune 500 company. Dan Casanova of Economic Development presented the details of the TID. The project is estimated to be \$37 million to renovate 144K sf of the HUB640 Building for the company's global headquarters. The renovation of the building and the addition of the company adds to the momentum of W. Wisconsin Ave. The company has 530 employees and is planning on adding 250 people to the region. The \$7 million grant is developer-financed at 4.8% interest for 20 years with the company expecting to hire the 250 new employees by 2027. The project would include 25% SBE and 40% RPP with a commitment for \$15/hour for service workers. There is also a required PILOT if the property becomes tax-exempt. The \$11.9 million TID includes \$4.6 million for public infrastructure. The monetary obligation will be paid off in Year 16 and the public infrastructure will be paid off in Year 20.

Ryan Smith, Fiserv's Senior Global Executive for Tax incentives, provided more detail on Fiserv (behind the scenes leader for financial transactions) and how the decision was made

to locate to downtown Milwaukee. The company has its global headquarters in the area for the past 38 years and has developed dozens of relationships with non-profits, veterans organizations, and have created a business grant program that predominantly works with women-owned businesses. With a large acquisition a few years ago, they have a significant presence in New Jersey, Nebraska, and Georgia.

Commissioner Schwartz asked how the City will be able to monitor the employee count. Mr. Casanova stated the employee must be in the office at least 60% of the time with it being monitored by passcode/security screening. Commissioner Smith asked about the building floor usage. The 5-story building will predominantly have Fiserv on the 4<sup>th</sup> and 5<sup>th</sup> floors with some presence on the 1<sup>st</sup> and 3<sup>rd</sup> floors. The company was attracted to the open floor plates with ~60K sf on each floor. They could not find any other buildings downtown that fit their floor plate needs. The company will have a private entrance with parking across the street and a skywalk to connect the building with the parking deck.

Commissioner Schwartz asked about the service work needed to which Mr. Tony Lindsay, owner of HUB640, stated they would be needed for cleaning, food service, and security.

Peter Rickman of Milwaukee Area Service and Hospitality spoke of the need for family-supporting wages in the service industry. He is neither in favor nor against the project but feels additional discussion with the City and Fiserv will result in a favorable outcome.

Citizen Marty Wahl asked about the \$2 million granted to the Boston Store several years ago. Mr. Casanova stated the company used ~\$650K of the funds for some interior demolition and then filed for bankruptcy. The rest of the escrowed funds (\$1.35 million) was returned to the City. The demolition work does benefit the Fiserv project. Mr. Wahl then asked how \$7 million was arrived at to which Mr. Casanova responded it was primarily based on previous incentive packages including Milwaukee Tool.

Commissioner Smith moved for adoption of the resolution and it carried by a vote of 5 ayes - 0 nays. Adopted resolution is No. 10930.

## **Item 2, Public Hearing**

Resolution approving the boundary and Project Plan for the East North Avenue Tax Incremental Financing District.

Dan Casanova of Economic Development described the boundaries for TID No. 111 and the public infrastructure projects the TID will contribute towards including traffic calming, bike amenities, landscaping, pedestrian plazas, and public art. The \$4.2 million TID includes \$3.8 million for public infrastructure, \$100,000 for DCD's Commercial Corridor Team, and \$200,000 for administration. TID 111 is projected to pay off by 2042 or Year 20 of the District. In addition, Phase 2 of the public infrastructure will not begin unless there is sufficient increment to pay off the TID in Year 20.

Commissioner Schwartz asked about the concept of an infrastructure TID rather than a project-specific TID. Mr. Casanova said this TID is like S. 5<sup>th</sup> Street where the street had been a hinderance to redevelopment but the public infrastructure improvements have led to significant private investment along S. 5<sup>th</sup> Street. Commissioner Galvan asked about the new apartment buildings (the old creamery and the former RC's site). Both are moving forward with completion in the next 18-24 months.

Citizen Marty Wahl asked about the \$4.2M TIF to be paid back in 20 years. Mr. Casanova stated this is a conservative approach to ensure the debt can be paid back. Mr. Wahl then asked about the Hop and if this TID could be used for the Hop to which Mr. Casanova responded that ½-mile from this boundary covers very little of any Hop expansion.

Commissioner Schwartz asked about TIDs recently amended for public infrastructure (e.g. road diets) and if this work will impeded expansion of the Hop. Mr. Casanova stated the City is generally aware of future Hop routes and these projects do not conflict with future plans.

Commissioner Schwartz moved for adoption of the resolution and it carried by a vote of 5 ayes - 0 nays. Adopted resolution is No. 10931.

### **Item 3, Public Hearing**

Resolution adopting the boundaries and Project Plan for the Martin Luther King Library Tax Incremental Financing District.

Maria Prioletta of the Commissioner's Office/DCD Housing introduced TID 112 where TID 112 would provide assistance to replace the MLK Library and an affordable housing redevelopment that includes 93 one-, two-, and three-bedroom units with an investment of \$37.2MM. The proposed project is by General Capital Group and Emem Group which will utilize affordable housing tax credits, ARPA funds, and foundation grants. The \$940K TID is developer-financed with a 6.65% interest rate paid back over 20 years. The project will have best efforts of 25% SBE and 40% RPP and is subject to the Anti-Displacement Preference Policy where 20% of the units are set aside for neighborhood residents.

Michael Emem of Emem Group and Sig Strautmanis of General Capital Group provided additional background and shared their respective company's background. Mr. Emem then shared details of the three-building development which includes two new buildings and the adaptive reuse of the theater building into 9 live-work spaces on the first floor and 41 units above. The MLK Library will be comprised of ~18,000 sf.

Commissioner Schwartz asked about the cost sharing provision to which Ms. Prioletta said it is a common provision in each of these deals but rarely are funds left over to share between the developer and the City. Commissioner Galvan asked about the library and if there were any budget concerns from the City. Ms. Prioletta stated the funding for the library has already been approved by the City and the State has even allocated some funds to the library for their portion of the construction.

Citizen Marty Wahl asked how the loan interest was determined. Ms. Prioletta stated the TID is developer-financed so it is based on matching the underlying funding the private developer has secured. Mr. Wahl then asked about the length of time the affordable housing must remain in place. Ms. Prioletta said the tax credits require a minimum of 15 years with an extension period up to 30 years.

Citizen Rick Mohammed asked about the impact this project could have on development around the area. Ms. Prioletta stated bringing more residents to the area will benefit commercial development in the neighborhood.

Commissioner Smith moved for adoption of the resolution and it carried by a vote of 5 ayes - 0 nays. Adopted resolution is No. 10932.

### **Item 4, Public Hearing**

Resolution adopting the boundaries and Project Plan for the Edison School Tax Incremental Financing District.

Ms. Prioletta of DCD introduced TID 113 which will provide \$875K of funds to the overall \$27.6 million investment. The redevelopment will create 75 affordable housing units with

63 set aside for senior residents in the former school that has been vacant since 2008. The proposed project, rehabilitating the school and constructing 12 new townhomes, is a joint venture between Gorman & Company and Cupid Development. The project will utilize affordable housing tax credits, bonds, ARPA funds, and other grants. The \$875K TID is developer-financed with a 6.45% interest rate paid back over 20 years. The project will have best efforts of 25% SBE and 40% RPP and has a shared cost savings provision.

Developer Ted Matkom of Gorman & Company and Malik Cupid (ACRE grad) of Cupid Development provided additional background on their organizations and the development.

Commissioners Smith and Schwartz asked about the role of Lutheran Social Services in the development. Mr. Matkom stated the organization is a liaison between the residents and the needed services. In addition, the group will be providing things such as financial literacy and health classes to the residents. Commissioner Schwartz asked about the need for TID assistance to which Mr. Matkom stated the costs of borrowing and materials is roughly 20-25% higher than two years ago so this becomes gap financing.

Citizen Rick Mohammed asked about the process of how MPS schools are sold to which Mr. Misky stated MPS must first deem a school surplus before DCD/RACM can list the property for sale through an RFP. Mr. Mohammed then asked about the unit mix in the development. Mr. Matkom stated every unit is designated at a specific rental income.

Commissioner Schwartz moved for adoption of the resolution and it carried by a vote of 5 ayes - 0 nays. Adopted resolution is No. 10933.

#### **Item 5, Public Hearing**

Resolution adopting the boundaries and Project Plan for the Five Points Tax Incremental Financing District.

Maria Prioletta of DCD introduced TID 114 which will provide \$737K of funds to the overall \$16.4 million investment. The development will create 55 new affordable housing units and 7,500 sf of commercial space. The proposed project, a joint venture between MLK Economic Development Corporation (MLKEDC) and KG Development, will utilize affordable housing tax credits, ARPA funds, and other grants. The \$737K TID is developer-financed with a 6.25% interest rate paid back over 20 years. The project will have best efforts of 25% SBE and 40% RPP and is part of the Anti-Displacement Preference Policy.

Nicole Robbins of MLKEDC and Anthony Kazee of KG Development provided additional background on their organizations and the development. The team has received 8 business letters and 75 residence letters of support for the redevelopment. The commercial space includes a 1,000 sf pop-up library with the Milwaukee Public Library.

Commissioner Smith moved for adoption of the resolution and it carried by a vote of 5 ayes - 0 nays. Adopted resolution is No. 10934.

#### **Item 6, Public Hearing**

Resolution approving the First Amendment to the Project Plan for Tax Incremental Financing District No. 77 (HellermannTyton).

Lori Lutzka of Economic Development presented the item where the TID was originally created in 2012 for \$750,000 to assist HellermannTyton in acquiring, upgrading, and equipping their facility located at 67<sup>th</sup> and Good Hope Road and add employment to the City of Milwaukee. The company has added over 100 jobs since the TID's inception. This amendment would allow ~\$1.2 million funds to be used for infrastructure improvements to

curb reckless driving, construct a road diet and bump-outs at key intersections, and complete high impact paving projects on residential streets within ½ mile.

Commissioner Schwartz asked about the ½-mile limit to which Ms. Lutzka stated this is based on State Statutes and a City of Milwaukee Ordinance. Mr. Misky asked how much money has the City TIDs committed to assisting in traffic calming initiatives. Ms. Lutzka stated there has been \$28 million to date.

Commissioner West moved for adoption of the resolution and it carried by a vote of 5 ayes - 0 nays. Adopted resolution is No. 10935.

#### **Item 7, Public Hearing**

Resolution approving the Land Disposition Report and conveyance of the Redevelopment Authority property at 406 North Plankinton Avenue, in the 4th Aldermanic District.

Assistant Executive Director Dave Misky introduced the item where staff is requesting the sale of a sliver of RACM-owned land to join a much larger proposed development on the block. The Authority acquired this parcel in 1987 from the City as part of a Redevelopment Plan for the block that never materialized. The parcel does not have much development potential as a stand-alone property.

Matt Dorner of BID 21 and Paul Schwartz of BID 2 provided additional background for how the Foxtown Landing project came about with the start of the fund-raising for the Dog Exercise Area under the freeway. As the group approached potential sponsors, it became clear Tom Nieman and the Fromm Family wanted to be the lead sponsor and create a larger much destination adjacent to the Dog Exercise Area. Subsequently, the investors are proposing to construct a \$10M brewery that is compatible with the Dog Area. The development would also include a riverwalk connection from Clybourn to St. Paul Avenue.

Ron Sanfilippo of the Milwaukee Public Market and BID 2 spoke in favor of the redevelopment and Buyer Tom Nieman of the Fromm Family reiterated how excited he is to make such a significant investment in the City of Milwaukee and this particular neighborhood.

Commissioner Schwartz moved for adoption of the resolution and it carried by a vote of 5 ayes - 0 nays. Adopted resolution is No. 10936.

#### **Item 8, Public Hearing**

Resolution relative to application, acceptance, and funding of brownfield grant applications to the USEPA for assessment and cleanup of various brownfields throughout the City of Milwaukee.

Tory Kress of the Environmental Team provided an overview of the RACM Brownfield Grant application. The Authority will be applying for a \$500K Community-Wide Assessment Grant and a \$2 million Clean-up Grant for 3940 N. 35<sup>th</sup> Street from the USEPA. Ms. Kress stated the remediation grant for the site would be used to clean up the 13-acre site that the Authority purchased with the BID in 2019. The site had been historically used as part of the former A.O Smith industrial facility storing spent solvents in outdoor lagoons. The USEPA requires the Authority to publically-notice the grant application with the Analysis of Brownfield Cleanup Alternatives (ABCA) prior to submitting the application. Ms. Kress stated the ABCA assessed three different remediation options including (1) do nothing, (2) excavation, and (3) a combination. The ABCA recommends a combination of excavation and capping to remediate the site. The goal is to prepare the site for a future redevelopment.

Citizen Marty Wahl asked if A.O. Smith has ever been approached to assist in cleaning up the issues. Mr. Misky stated that he had met with a senior official of the company in 2010 or 2011 to inquire about that possibility. The company sold the site in 1995 to Tower Automotive and was released from any environmental liability. Tower Automotive filed for bankruptcy in 2005 and has no assets for recover. Mr. Wahl also asked about using the adjacent rail to haul some of the contaminated soils to the Dredged Material Disposal Facility at Port Milwaukee to which Mr. Misky stated that facility is only for dredged materials from the rivers and inner harbor. The Authority is in close contact with Wisconsin Southern Rail who owns the adjacent rail-line for any possible hauling of material.

Commissioner Schwartz moved for adoption of the resolution and it carried by a vote of 5 ayes - 0 nays. Adopted resolution is No. 10937.

#### **Item 9, Regular Business**

Resolution authorizing an extension to an Exclusive Right to Negotiate for the RACM-owned property at 3055 West Hopkins Street in the Century City Business Park, in the 7th Aldermanic District.

Benji Timm, Project Manager for Century City, provided some background of the Century City 1 building where the 52,000 sf flex building is currently full with five tenants. The building has been owned by Dan Katt and his partners since 2018. The Authority provided an Exclusive Right to Negotiate last year to allow Mr. Katt to conduct his due diligence on building a second 50,000 sf building adjacent to Century City 1. This resolution would allow an additional nine months for the group to pursue financing and tenants.

Mr. Katt confirmed that the current building is full. The development team is having a lot of discussions with potential tenants who work in Milwaukee. The team is confident they can pull the tenants and financing together in the next 9 months.

Commissioner Smith moved for adoption of the resolution and it carried by a vote of 4 ayes - 0 nays. Adopted resolution is No. 10938.

#### **Item 10, Regular Business**

Resolution authorizing an amendment to a contract for unarmed security guard services at the Century City Business Park.

Contracts Administrator Scott Stange reintroduced the item. The authority entered into a 3-year contract with SOS in the summer of 2021. This resolution will extend their contract for an additional 1-year until January 2024. SOS has achieved 100% SBE and 96% RPP over the past year of the contract. After some negotiation, the contract extension will allow for an increase in pay with the contract not-to-exceed \$125,000 for the next year. The rates for the security guards will be in line with other security contracts in the region. The source of the funds continues to be from Century City rental income.

Commissioner Schwartz moved for adoption of the resolution and it carried by a vote of 4 ayes - 0 nays. Adopted resolution is No. 10939.

#### **Item 11 Administration**

Resolution approving the 2023 meeting schedule.

Meetings will continue to be held on the 3rd Thursday of the month in 2023.

Commissioner West moved for adoption of the resolution and it carried by a vote of 4 ayes - 0 nays. Adopted resolution is No. 10940.

## **ADJOURNMENT**

There being no further business to come before the Authority, a motion was made by Commissioner Smith to schedule the next regular and annual meeting for **December 15, 2022**, at 1:30 P.M., at a location to be determined, and, to adjourn. The motion carried without objection.

David P. Misky  
Assistant Executive Director-Secretary

NOTE: An audio file of this meeting is incorporated and made a part hereof by reference as if fully set forth herein. A copy is available upon request.